

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6396

BILL NUMBER: HB 1493

NOTE PREPARED: Dec 8, 2006

BILL AMENDED:

SUBJECT: Unemployment Compensation.

FIRST AUTHOR: Rep. Duncan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows all employers in an individual's base period to contest the individual's application for unemployment benefits.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill could potentially reduce the expenditures from the Unemployment Insurance Benefit Fund if more of the unemployment claims were contested, but it could also increase the hearing expenditures before an administrative law judge. The amount of the increase or decrease is unknown.

The state as an employer could also have a reduction in the claims they pay.

Background: The Unemployment Insurance Benefit Fund paid \$649.2 M in benefits in FY 2006 and the state as an employer paid \$8.4 M.

Explanation of State Revenues:

Explanation of Local Expenditures: Local units could have a decrease in unemployment claims.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: Auditor's data.

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